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SEMINAR REPORT

TWO SEMINARS ON
CREATIVITY AND ETHICS IN THE CIA



CENTER FOR THE STUDY OF INTELLIGENCE

CENTRAL INTELLIGENCE AGENCY

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SUMMARY

In late 1976 and early 1977 two groups of CIA officers gathered under the auspices of the Center for the Study of Intelligence in the Office of Training to discuss the impact of new controls and ethical considerations upon the climate of creativity and initiative in the Agency. The first group was composed of senior officers (in rank and years of experience) and was charged by the DDCI to consider also aspects of dissent, awards, and foreign liaison as they pertained to the basic issue.

The first group concluded that the new controls and ethical considerations were not encumbering creativity and initiative, but singled out other elements viewed as essential in maintaining and improving a climate for creativity in CIA. These were: clarifying the aims and goals of CIA; a reversal of the tendency to "suck up" authority for decision making to higher and higher levels; preservation of concern with the long-term impact of proposed programs; conveying a "style" of leadership which encourages creative initiative and innovation; improving the climate for responsible dissent; raising ethical consciousness; and finally, marshalling the arguments to defend foreign liaison relationships while examining alternatives.

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The second group, representing a wider cross section of employee occupations, was composed of somewhat lower ranking officers, some of whom were considerably more junior in years of experience. Asked to review the findings and recommendations of the first group, it identified different issues of prime importance to a proper climate of creativity in the Agency, although it basically agreed with the findings of the first group. The issues the second group viewed as important were: improving vertical and cross Directorate communication; eliminating the bureaucratic isolation of the offices and Directorates from one another; clearer and continuing statements of goals and purposes of the Agency and the reasons for them; more feedback to individuals on the value of their professional efforts; and finally, wide discussion of aspects of ethical issues, both the ethics of Agency activities and the ethics of Agency management of people. Both groups viewed ethical issues as being Agency-wide concerns not limited to a single Directorate.

Both groups made formal recommendations to assist in carrying out these views.

NOTE: The Center has been requested by senior managers of the Agency to pursue these topics further. As the Center develops plans responsive to this request it will be helpful to know of those particularly interested in aspects of the subjects raised in these papers, so that the Center can tap the widest possible representation of Agency employees in the further exploration of these matters. Please indicate your continuing interest in the subject and any comments you may have on these papers to the Center offices, Room 1036 Chamber of Commerce Building, extensions 2193 or 3281.

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Report of an Initial Seminar on Ethics
and Creativity in the CIA

Has the long trial of the Agency in the past three years put a damper on the creativity and initiative of its employees? Is healthy dissent constrained? Is our ethical consciousness dulled? Do we, in fact, need a canon of ethics in the CIA? These were some of the issues discussed by eleven senior officers from across the Agency meeting on 11 and 12 November under the auspices of OTR's Center for the Study of Intelligence.*

The Deputy Director of Central Intelligence, Mr. E. H. Knoche, opened the session, asking the group to suggest ways of advancing innovation and creativity in the CIA under the constraining impact of inspection and controls. Is the Agency open enough he asked; does it allow enough opportunity for dissent; and how might a climate be maintained that does not discourage responsible dissent? Mr. Knoche said that the American people now accept intelligence as within our constitutional system, but that the need remains to define the bounds of propriety for intelligence within this system. Should the ethics of intelligence be viewed only against the nature of the perceived external threat at any given time, or are there some "ethical eternal" for intelligence that can be reflected in a canon? Should we try to develop one?

*List of participants at Annex B.

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Mr. Knoche noted the increasing external criticism of the Agency's liaison relationship with certain repressive foreign governments (and of activities of these services in the United States) as an example of a problem involving the propriety of CIA activities. He asked the group to consider whether we are creative enough to find other ways to secure the positive intelligence benefits now accruing from these liaison relationships should we have to modify or terminate some of them.

A recapitulation of the group's discussion following Mr. Knoche's remarks is set out below, along with the group's general conclusions and recommendations.

Creativity in the CIA

If creativity within the Agency is defined as the ability to stimulate new and fresh ideas on what to do and how to do it, then creativity is alive and well in the CIA today; it is less healthy if measured in terms of individual initiative, and willingness to take risks. This was the near-unanimous view of the participants in the discussion. In terms of innovation and imagination, we are as strong today as ever.

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If the need is there, sequels to the [] and the [] are well within our creative grasp, although the pressure of budgetary constraints may be causing our more imaginative thinkers to be somewhat less assertive in putting forward the grander schemes. On the other hand, some

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participants noted that the budgetary problems have actually stimulated the expression of good, alternative and cheaper ways of doing things than in the salad days of the past.

Our experience with real creativity is that it is irrepressible and cannot be held down. With a really good idea, there is still room in the CIA to try it. The DDI has just reorganized some of its structure, seeking a fresher, more effective product and a better climate for creativity. There are imaginative new collection activities underway in the DDO. The DDA, it was said, is a sharper and more perceptive outfit than in the past. From this perspective, the challenge with creativity is probably that mainly of protecting the climate we have now and of encouraging it more.

But creativity in terms of imagination alone is not the whole of it. If creativity is assessed in terms of certain important ingredients closely related to it, such as the willingness in routine situations to take new initiatives or to take risks, then the present CIA prognosis is not nearly so favorable in the view of the participants. They expressed the view that individual initiative down the line in the Agency has been dampened in the past several years to the point where a lack of it is having serious negative consequences on our overall performance. The reasons for this are numerous, and many are plain to be seen. The solutions, however, are not nearly so obvious, or confident,

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or easy. Among the reasons and the solutions advanced by the group for the decline in initiative were:

- that the motivation routinely needed for it stems in large part from knowing clearly as an individual and as an organization where you are going and what you are doing. Our notion of this as an Agency is foggier today than in the past. Not only have we more people from new outside quarters telling us what we should be doing, but our own internal leadership has changed repeatedly in recent years causing rapid changes and some contradiction in marching orders. It takes time for this to clear; while the effect persists, the unfortunately typical reaction is to keep one's head down and mark time.
- that the outside scrutiny of the Agency has inevitably accelerated a trend toward centralization and a "sucking upward" of the authority for decision-making in the CIA, undercutting at lower levels at least, the climate needed for creative initiative to flourish. The diminished role of the branch chief in the DO was cited. With less authority for decision than in the past, he is not looked to as much for leadership and thus loses the motivation to take innovative initiatives. In contrast, our overseas chiefs of station, in whom we still entrust considerable individual authority, were cited repeatedly for responding well in that climate so propitious and stimulating for creativity.
- that the spotlight on the Agency is not altogether unhealthy by any means. It has resulted in a greater concern than in the past with the potential impact of a given initiative and with a more realistic concern for its potential value. Employee attitude surveys tend to confirm this, although some in the group were not sure it is a view fully shared by the younger officers. The trick, then, is to retain the constructive caution, but not stifle the initiative.
- that the responsibility for accomplishing this trick must in part rest with the individual officer. He can put his head down, be over-careful in checking with his supervisor, with the Inspector General, or the General Counsel's

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office, or he can keep before him the vital need to exercise his responsibility and authority to the fullest with prudence, but not with over-caution. (Some in the group believed that the present trend to overcheck the propriety, indeed even the substantive wisdom, of many proposed Agency initiatives would lessen as we become more familiar with the new regulations and controls on us. Others believed that more checks will inevitably descend on us in time to come, thus perpetuating the present situation. Some believed there was a tendency to seek more from the Inspector General and General Counsel's offices than what either should provide, that is, legal opinions rather than policy decisions.)

--that apart from the individual officer's duty to fully exercise his authority, the solution also lies in part in a "style of leadership" in the Agency that must demonstrate a real trust and interest in initiative, that in fact demands it, is receptive to it, and sincerely tries to utilize it. In the view of the group, the way an organization is operated is the primary influence on the way its employees respond. People repeat rewarded behavior and try to stay away from what gets them in trouble. An overly-cautious leadership that fears to use the opportunities for a delegation of authority promotes an overly-cautious response in its employees. If the Agency leadership does not repeatedly demonstrate its trust and confidence in the rank and file, the Agency as a whole will not be able to show it is worthy of such trust. (Some in the group sensed an isolation problem developed in the Agency leadership in recent years. In the smaller, more closely knit CIA of old there was not the private elevator, the executive dining room, the vast building itself that made it possible for a top manager to come or go or to spend his whole day, if he wished, with no real exchange down the line that might feed him new suggestions, new initiatives from below).

While the tendency of the group was to place the onus for lagging initiative on attitudinal factors in the CIA, and not on the growing strictness of actual regulations, or on the

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seemingly ever-more structured and formal mechanisms for operation, management and decision in the Agency, there was a considerable unease evident about how these mechanisms are influencing our creativeness and initiative. The MBO system, in the view of some participants, tends artificially to drive our activities, resulting in the setting of objectives that may not represent a true consensus on what is really needed in any given unit. False goals, thus set, can camouflage real needs, meanwhile orienting the unit much more than is needed to an information-feeding process of progress reports and similar activity. In the view of these officers, creativity and initiative usually suffer when activity is overly focused behind a few formal goals.

But others took the position that MBO and similar management techniques often provide not only the linkage for dialogue on objectives and activities that has not existed in many units before, but an orderly and time-bounded procedure for the solution of problems and completion of goals. Accordingly, it has thus enhanced the opportunities for lower-level initiative and participation. The group perceived a current lack of a sense of participation as an inhibitor of initiative.

Another factor impinging upon the climate for initiative and innovation is the amount of frenetic distraction from our proper intelligence role which many view to be the main result

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of the manhours spent on such things as the Freedom of Information Act, the Privacy Act, and endless responding to investigations, and the simple but possibly more pernicious threat that attention to form and artificial deadlines will outweigh attention to substance in our work.

Agency personnel practices were also cited as barriers to creativity and initiative in some instances. Much of the individual's stimulus for initiative springs from the degree of job satisfaction he feels. If he is constructively busy and believes that he is contributing, his initiative and his creativity are usually good. The trick is to construct the division and management of work responsibilities so that the individual feels needed and purposeful in his endeavors. This is, of course, easier said than done in a bureaucratic organization, especially one, according to some participants, with serious personnel surpluses in some units at Headquarters. The group endorsed more serious Agency efforts to develop a "selection-out" process early in employment as one means of coping with the personnel surplus and maintaining job satisfaction. Continued effort at broadening rotational assignments between components and Directorates was also suggested as an important means of infusing fresh perspectives and, thus, more creativity throughout the CIA.*

*In encouraging broadened creativity and initiative among CIA officers, it is of course important to continue striving for the improvement of the caliber of our people. In the view (contd.)

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~~CONFIDENTIAL~~The Suggestion Award System

In considering how to enhance creativity in the CIA, attention turns naturally to the already established system for suggestion awards in the CIA. The group discussed this system, and the question of whether it could be further used to encourage creativity--possibly by rewarding good ideas that for one reason or another could not actually be implemented.

It was noted that the suggestion award system is already one of the more successful in the government. However, its image (somewhat inaccurately) connotes a monetary reward for suggestions that are mainly intended to cut financial costs in procedures or save time for the Agency. Altering this image to encourage substantive initiatives on operations or other matters might be worthwhile and is probably worth some careful study. However, this could result in explicit rewards to people for simply doing their job, thus creating a psychological aura not favored by the group. Informal mechanisms, such as "developmental" or "think" units within individual components did find favor as mechanisms for stimulating an attitude or climate favoring creativity, as long as they were sufficiently flexible, informal, and closely tied to the everyday lifeblood activities of the units.

of the group, to do this it is necessary for management to get a better multi-dimensional view of its personnel for rating and promotional purposes. One step in this direction would be the inclusion of a peer-rating system along with supervisor-written fitness reports. The key to such a system's success would be to keep it focused on the positive qualities of the employee and avoid allowing it to become a stereotyped and routine procedure. Other steps suggested included additional emphasis on leadership training.

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The Foreign Liaison Relationship

In response to Mr. Knoche's expressed concern that the Agency may come under pressure to drop or alter its foreign liaison arrangements with certain "repressive" governments

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[redacted] and his question as to whether we should creatively attempt now to develop alternate collection sources, the group arrived at a dual consensus.

One consensus was that the Agency needs to muster in the most effective fashion it can the many good points to be made in favor of our liaison relations. In brief, these include:

- the fact that our entire clandestine operations in a given country often depend on the nature of the liaison relationship.
- the fact that we do often gain useful leverage on a country through the liaison relationship, leverage that is in our national interest.
- the fact that such relationships do not need to be viewed simply in terms of maintaining or not maintaining them. There is room in each for limitations and alterations tailored to fit the specific situation.
- the fact that such relationships can and should be used for good example purposes by showing that our service does not engage in repressive practices.
- the fact that, contrary to many outside critics, our liaison relationships have not been the seed-bed for questionable covert action operations.

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In terms of alternates for liaison arrangements, the consensus of the group was that we can assess rather well at this time what we would lose by terminating them, but that the possible substitutes are not very susceptible to analysis at this point. It was deemed worthwhile, however, that the appropriate Agency management specifically request ideas on substitute collection means from the concerned units as well as more broadly in the DO, hoping to garner ideas from officers with varied perspectives. (More of this type of approach on other problems was also recommended.)

Additional points made on the liaison question included the view by several DO officers present that guidelines on these aspects of liaison relationships are insufficient and thus have not been disseminated effectively in the ranks, leaving many officers in the dark. The need was also suggested for support of those chiefs of station who believe

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Opportunity for Dissent

Closely related to the encouragement of creativity and initiative in the Agency is the creation of a climate that does not discourage responsible dissent. The participants in the discussion generally agreed that some of the Agency's past difficulties and transgressions might have been avoided had adequate channels for dissent existed. In the past, dissent was essentially an individual initiative, with no guaranteed institutional reaction. The opinion was offered that some of our ex-employee critics may have been spurred to publicly turn on the Agency by the inadequacy of effective internal dissent channels in their day. Most participants believed that today more officers are aware of the existence of explicit institutional channels; for example, the strengthened Inspector General's office, although a minority questioned if this channel was effective for all categories of dissent. Nevertheless, the participants agreed that many officers in the Agency still appear to believe that the way to get ahead is not to dissent from the views of authority. One attitude survey was cited in which some 60 percent of the respondents said they feared opening up and expressing their views. How does the Agency overcome this frame of mind?

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The group noted that two basic types of dissent are important to consider. Each has different consequences. There is on one hand dissent over the wisdom of a specific operation or policy. On the other, there is the question of dissent over the propriety in terms of ethics or law of an operation or policy. In the latter case, channels for registering dissent and for management to react to it are probably adequate. This was held by the group to be true, for example, with covert action planning. While there are still difficulties in this field (see section on ethics in the Agency), opportunities for dissent either in terms of the wisdom or propriety of the planning are not among them.

But the climate for dissent in terms of challenging the wisdom of a policy is another matter. Here, there is no easy institutional answer. An employee seriously dissatisfied with policy in his unit can approach the Inspector General's office. But this constitutes a major step, traditionally used only for issues of wide and serious significance. What about the day-to-day process in any individual unit of truly exposing the pros and cons of proposed activities? Does the climate exist to encourage this in a healthy way? Efforts to formalize or institutionalize the process at this level would be counter-productive, according to the participants, who feared it might spur the "Sam Adams mentality." Some present, in fact, contended that the growing formality and organizational

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discipline in our overall managerial and control structure is probably undercutting expressions of dissent by forcing it to be registered with such formality and finiteness that employees find the process seriously intimidating.

But the problems should not be thought of as simply one of expressions of view from the lower level upward. The issue is really the degree of openness existing above the level of the individual officer's sphere of responsibility. The way to achieve this openness, said the discussants unanimously, is to make sure that the decision-making process up and down the line is open and encourages participants at all levels, that it is a process that truly reflects the pros and cons of a given situation. This is accomplished by a managerial attitude that encourages alternate views, is willing to tolerate them, and to give them a fair and responsive hearing. If this attitude exists, it is quickly communicated throughout the organization. The need for formal channels or official mechanisms is diminished, if not eliminated.

Where institutional mechanisms are needed, some in the group suggested the value of recent experiments with so-called "A and B team" approaches in which a policy option, recommendation, or proposed operation is formally examined by groups with opposing points of view, each seeking to muster the best arguments for its view, but with each required to address the issue from comparable perspectives. Obviously, such an approach

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is most useful on issues of real significance and considerable breadth where time is not of particular essence. One group member also suggested that the Agency study the utility of an ombudsman system similar to that existing today in a number of public and private organizations.

Ethics in the Agency

The issue before the discussion group in this sphere was whether the CIA as an organization should give explicit attention to the nature and adequacy of its ethical values and, if so, how this should be approached. Before focusing on this general issue, the group attempted to identify the major Agency activities that often appear to raise questions of moral standards or values. It was asserted by some present that Agency employees as well as outsiders tend to view the ethical issue as focused primarily on the DO. While there is reason for this, it is clear that issues of ethical standards also arise with significant consequences in the other Directorates. Some of those mentioned for the DDI were:

- how to deal with requests for intelligence analysis that partially involved assessments (The student attitude memorandums of the 1960's.)
- dealing with requests for intelligence analysis, especially from Congress, where the end use may be to prove a partisan political case, or even to support a re-election campaign.
- dealing with requests for intelligence analysis where it appears that a judgment supporting a policy position is desired by the requestor. This is complicated by institutional coordination problems.

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Some ethical issues in the DDS&T involve:

--the proper control of contract activity to avoid opportunities for graft or other fiscal abuses.

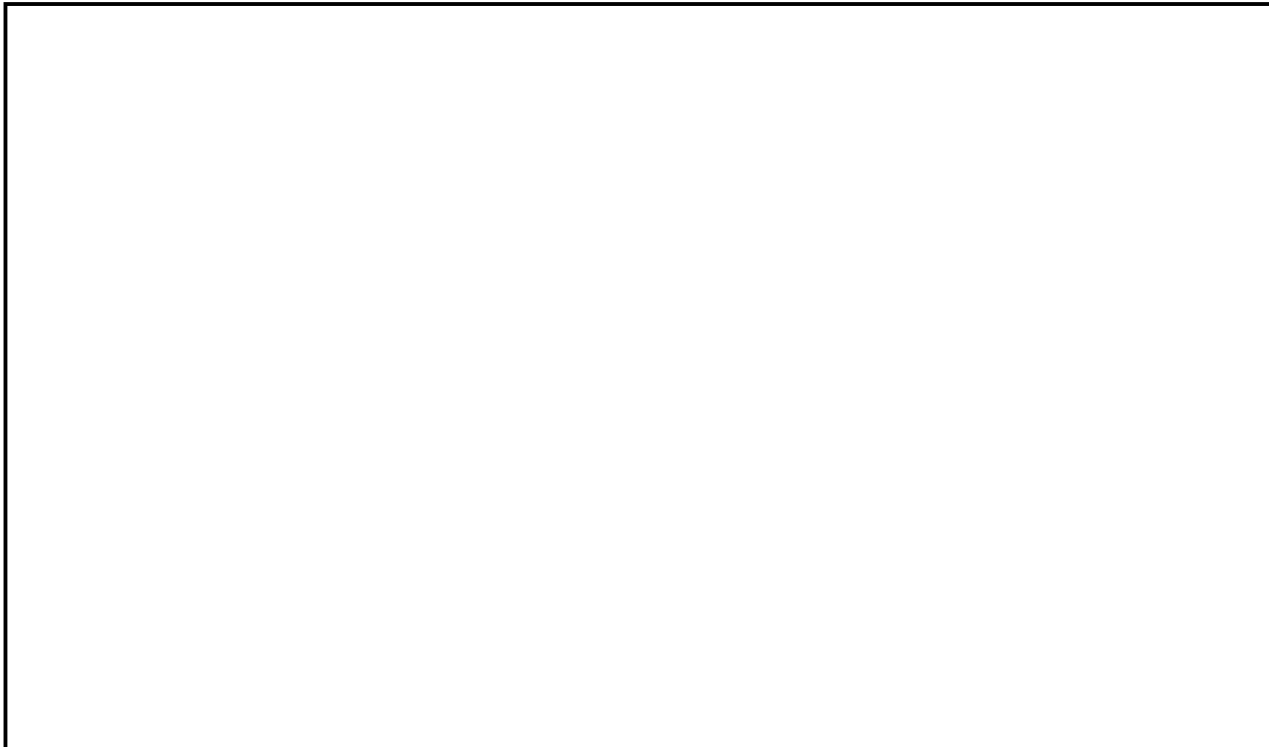
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--the extent to which the analysis of foreign civil technological developments can be conducted. Issues of industrial espionage arise here, as do questions of the release of the analysis without unfair benefit to U.S. firms.



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In the DDA some of the main issues involve contract control and the maintenance of the proper relationship between Agency security activities and U.S. domestic police forces.



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Agency's leadership. This, it was believed, would help generate a climate of openness about CA activity within the Agency that would aid in reassuring those employees who question the Agency's ethical stance on this issue. It would be difficult to avoid phraseology in such a statement that might negatively restrict the Agency's hand, if times and circumstances of external threat to the U.S. change. An effort to develop such a statement was nevertheless seen as worthwhile.

With regard to the adequacy of planning within the Agency for covert action, there was a consensus that an explicit educational effort is needed to increase understanding and acceptance of how the CA planning and decision process now operates. Such an effort would seek to make clear the opportunities in the process for evaluation of the pros and cons and the desire of the Agency to consider proposed CA operations not only in terms of the efficiency of the plan, but also in terms of its chances of achieving its intended result and the likely consequences of that result.

The issue of whether the Agency needs to develop and promulgate a general ethical canon or code for its activities drew a mixed reaction from the participants. It was asserted that younger officers in the Agency have a strong concern over ethical issues, and feel the weight of past "transgressions" by the Agency together with the responsibility for preventing them in the future. Unless we develop a canon, according to

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one participant, we really have no coherent way to pass on the traditional ethical standards of the Agency to younger officers. Another participant said that any organization with a mission as structured as that of the Agency has a de facto code of ethics whether it is written down or not. U.S. military organizations, it was noted, have recognized this and have attempted with some success to develop ethical canons responsive to the military mission. Agency critics, of course, are heavily concerned with the ethical question and, in the view of some participants, the Agency has failed to answer them effectively because it has not consciously developed a full and explicit ethical stance. We need to set some clear norms for ourselves, one participant said, because we are at our worst when we feel we can act differently from others. Our ethical responsibility to each other as intelligence officers and as at least one officer believed, to the people of the United States, is of vital importance in maintaining the esprit de corps and effectiveness of the Agency. Although no code can guarantee to stop ethical abuses, it could help. One thing no code can be expected to do, in the view of the majority of the participants, is to equip the Agency to say no to an outside administration or to Congressional pressure. If a code were developed, it was the unanimous view of the group that the Agency leadership, to make it effective, would have to stand consistently and clearly behind it.

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There was a clear awareness that an attempt to develop a formal code would be a formidable task, and might have some adverse effects. Such an effort could be viewed on the outside as hypocritical. Does an espionage organization really want to set professional standards for itself that put it on a par in a sense with established professions like medicine and law which operate with canons of their own? How specific should such a code be? How general? There would be so many twists and turns and subtleties of meaning to consider that the chances for misinterpretation and indeed the lack of clear understanding would be very large. One participant feared that such a code would only confuse the case officer, making him tend to shy away from the tougher agent decisions and initiatives--often the vital lifeblood of espionage.

The opportunities for various perceptions of such a canon were illustrated in a discussion of one such code that has been developed in draft and circulated for comment. Some Agency managers to whom it was shown objected on grounds that it added unnecessarily to their responsibilities; middle-level officers liked it, seeing it in part as a wedge with superiors to fight objectionable orders; the young officers in the DO liked it because it offered them an ethical rationale for engaging in espionage.

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One participant who was not enthusiastic about developing a code or canon of ethics suggested that if such an effort were made it should be cast in the form of a sort of charter in which the purpose of the organization is set forth in positive terms rather than in terms of ideals such as objectivity. Such a charter would permit the,desired ideals to flow from the positive statement of purpose. There is a danger in setting up a list of negative "do-not's" in that we would appear to be stating that we would only execute those orders which fit within some stated set of ethics.

Whether or not it would prove possible to develop a satisfactory and defensible canon, there emerged a general consensus among the group that the Agency should probably make a serious attempt at it, while taking some other specific steps aimed at focusing the ethical consciousness of CIA above the subliminal level of concern at which it now exists. The very effort itself, whether we ever get to a fixed canon, may be the most worthwhile part of it. Discussion of ethical issues is needed for new people coming into the Agency. It offers them the opportunity to confront, and to explore problems they may face later in the course of their careers. Discussion of ethical issues should be made a part of the training program with specific time for the subject built into a variety of training courses including those for operational officers, analysts and support officers.

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ANNEX A - RECOMMENDATIONS


of the Seminar on Ethics and Creativity in CIA
held 11 and 12 November 1976

1. To Preserve and Enhance Employee Creativity and Initiative, the Agency Should:
 - a. take every opportunity to stress that individual officers should try to exercise their responsibility and authority to the fullest, avoiding unnecessary referrals of minor matters up the line.
 - b. take every opportunity to stress the interest in and receptiveness of management to individual initiative.
 - c. continue to stress and develop personnel programs designed to cut the size of the Agency's work force, improve its evaluation systems for employees and provide opportunities for rotational assignments.
 - d. seek to stem the trend of decision-making authority to rise to ever-higher levels by a conscious effort to delegate authority downward, and set a tone of trust towards the levels to which that authority has been delegated.
 - e. take a detached look at the extent to which MBO and other formal management systems may be inhibiting creativity.
 - f. encourage the further development at a component level of informal "developmental" or "idea" units.

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3. To Enhance a CIA Internal Climate that Does not Discourage Responsible Dissent, Management Throughout the Agency Should:
 - a. take every opportunity to maintain an open decision-making process up and down the line that truly provides opportunities for pro and con consideration of issues in a given situation.
 - b. avoid the creation of further formal mechanisms for dissent, while seeking to apply, where circumstances seem appropriate, such techniques as the A team, B team approach to problems and issues.*
 4. To Enhance Our Ethical Consciousness, the Agency Should:
 - a. authorize an explicit, broadly-based effort to develop an ethical canon, recognizing that this is a tricky, difficult task, but that the benefits of the process itself will probably be well worth the effort.
 - b. provide explicit opportunities in the training cycle of the Agency for the discussion and exploration of ethical problems that arise in all parts of the Agency.
 - c. consider the dissemination of an official statement aimed at our employees delimiting and explaining the Agency's policies and processes on covert action.

*This recommendation was supported by a majority; a minority believes there should be further formal mechanisms on major issues.

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Report of the Second Seminar on Creativity and Ethics in CIA

A second more representative and somewhat more junior group of Agency officers discussed the issues of creativity and ethics in a seminar on 17-18 January 1977.* This group raised some important additional approaches it believes would stimulate a proper climate of creativity, provide channels for dissent, and stimulate the high ethical consciousness required of CIA employees.

New Emphases

Elements that the second group saw as of primary significance to creativity and ethics were:

- a. better vertical and cross-Directorate communication in CIA;
- b. elimination of the bureaucratic isolation of office-level components across Directorates;
- c. a clearer and continuing statement of the aims, goals, and purposes of the Agency;
- d. more feedback to individuals regarding the value of their efforts; and

*List of participants attached

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e. open forum discussions of ethical topics on a wide scale throughout the Agency as the principal means of maintaining a high degree of ethical consciousness.

The more junior group is very concerned with the state of vertical and lateral communication in the Agency. In fact, problems of communication within the Agency arose on every topic discussed. It noted that employees who are leaving for other employment frequently cite poor communication as a major reason. Lack of, or distortion of, information coming down from senior staff meetings was also cited as unnecessarily depriving lower ranking officers of the kind of stimulus they need for new approaches and creative ideas to help meet the challenges faced by the senior staffs. Staff meetings are not properly used as a positive activity to enhance communication, the group charges. A related concern of the second group was the bureaucratic isolation of office-level components, both within each Directorate and among Directorates. There was a strong endorsement of the "one-Agency" concept as correct, but not yet a fact in practice.

Among the tactics it believes would contribute to better communication and thereby improve the climate for creativity, the second group cited a profound need for better, and perhaps more importantly, the continued articulation by management of Agency aims and goals, especially

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the reasoning behind its choice of policies and objectives. Lack of effective and consistent guidance, rapid changes of senior leaders, the recurrent investigations, even a failure often clearly to halt one program when another had been picked to replace it, were cited as leading to confusion in the ranks over the "what" and "why" of Agency policy on all types of matters, and as contributing to the discouragement of initiative and creative ideas.

There was, of course, a recognition that to a degree our aims and goals are set from outside the Agency and that its senior leadership cannot in all cases spell out definitively what Agency policy in certain areas is to be. Still, the group strongly believed management must be more alert to giving what guidance it can.

More important than major alterations to the present suggestion and special achievement awards system is a more active and conscious effort at feedback of information and praise where merited for efforts conceived and executed by individual officers. By the time many programs have proved worthwhile, especially in the DDO, the officers who broke the ground and worked on the initial input have frequently long since gone on to other assignments or lost track of the value of their input. The group urged liberal use of

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statements for personnel folders recognizing the contributions of employees.

To enhance ethical consciousness, the second group was more anxious to engage in open forum discussions of various aspects of ethics, both the ethics of our activities and the ethics of our management of people, than to attempt a written canon of ethics for the Agency.

The group had no important substantive disagreement with the conclusions and recommendations of the first senior officer seminar on creativity and ethics. It did, however, develop a number of its own detailed recommendations going beyond the work of the first seminar. These are included below under the discussion of each topic.

Creativity

The second group fully endorsed the conclusion of the first that we do have a rich repository of creativity and initiative in our personnel today. It questioned, however, whether the environment of the Agency today really reinforces doing things creatively. It suspected, rather, that the environment tends mainly to reinforce conventional wisdom as the proper approach. Personal initiative was once the

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watchword, but today the cumulation of rules, paper work, coordination, staffs, and the like often tends to institutionalize the avenues of inertia rather than creativity. Still, there was for the most part less concern with management and organizational constraints to creativity in the second group. Management by Objective (MBO) is viewed as not having been given a proper chance to work; it is not widely understood by Agency personnel nor uniformly applied, according to the participants. MBO, as it is now practiced in the Agency, was criticized for overstructuring and overconcentrating on reporting mechanisms no one reads. Its central weakness, according to the group, is that its current structure in the Agency cannot be depended upon to provide two things MBO was designed for: a sense of participation and better vertical communication, especially regarding our specific goals. There is also a sense in the Agency of a frenetic pace of leadership which imposes unrealistic deadlines and thus inhibits the exercise of creativity, and fails to reward its application. The Agency needs far greater flexibility in responding to creative initiatives, and needs to train its new managers to require creativity from their subordinates.

Recommendations

1. In order to foster better communication and break down the bars of isolation of office-level components:

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- Senior managers should occasionally attend the staff meetings of the next lower level to see that essential concerns are communicated and placed in the correct context. Staff meetings should be used for the positive communication channel they might be.
- Decisionmaking should involve all office-level components across Directorates that will be affected, not just the action office that will carry it out.
- Interdisciplinary and "Country Team" approaches should be used on major undertakings of the Agency to a much greater degree than at present.
- The dissemination of information within the Agency on the degree and nature of response, awards, or recognition given creative initiatives should be broadened.

2. In order to foster greater flexibility in response to creative initiative and bolster management requirements for a climate of creativity:

- Tangible rewards for creative suggestions should be provided by recognizing the achievement officially. Cash awards, where clearly applicable should be continued, but other avenues such as more employee input into rotational and future assignments as well as increases in an individual's responsibilities, might be considered as rewards for outstanding creativity. Here a distinction is drawn between excellence in doing one's job and truly creative work that goes beyond that.
- Letters of Instruction and Fitness Reports should reflect the duty of a supervising officer to maintain a hospitable climate for creativity and record the degree of this attained by managers. Our management training must include some instruction on how to foster a creative climate among

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subordinates. The DDO "precepts" for job/grade categories should reflect the requirement for openness to new and creative ideas as a prerequisite for management/grade promotion.

3. To further enhance the climate for creative initiative:

- Provide a better articulation of Agency aims and goals, especially the reasoning behind our choice of policies and objectives.
- Encourage greater efforts at program rationalization and justification so that abandoned programs are definitely identified as such and new programs become the full focus of attention.
- Review the application of MBO to assure that it is given a fair chance, implemented uniformly, its concepts disseminated at all levels through education, and that the real participation and communication vital to MBO is exercised.
- The group endorsed the first seminar recommendation of encouraging the further development of component-level "developmental" or "think" units. It recommended "Creativity Committees" vertically organized which would permit the movement of ideas and solutions developed in such forums through to action. These would not be "bitch," but rather suggestion, forums providing an avenue above any officer's immediate superior for a hearing of a creative idea without prejudice to one's career.

Awards

A far more active program to promote feedback on the value of efforts that had been expended by personnel on specific projects is essential, according to the group, and an effective program to provide such expressions will do more to

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spur initiative than will monetary rewards. The present suggestion and special achievement awards system is healthy and was viewed by the group as a significant factor in the Agency's efforts to promote a climate of creativity. As was the case with the first group, the second was convinced of the need for better publicity of the existing program for special achievement and exceptional accomplishment awards (in contrast to cost-saving suggestions).

Recommendations

- Develop ways to channel back statements of appreciation for work well done once the value of the effort is evident.
- Increase the use of non-cost methods of recognition for work exceptionally well done, such as medals, citations, certificates, letters of commendation, etc.
- Continue and expand the present suggestion and special achievement awards system.

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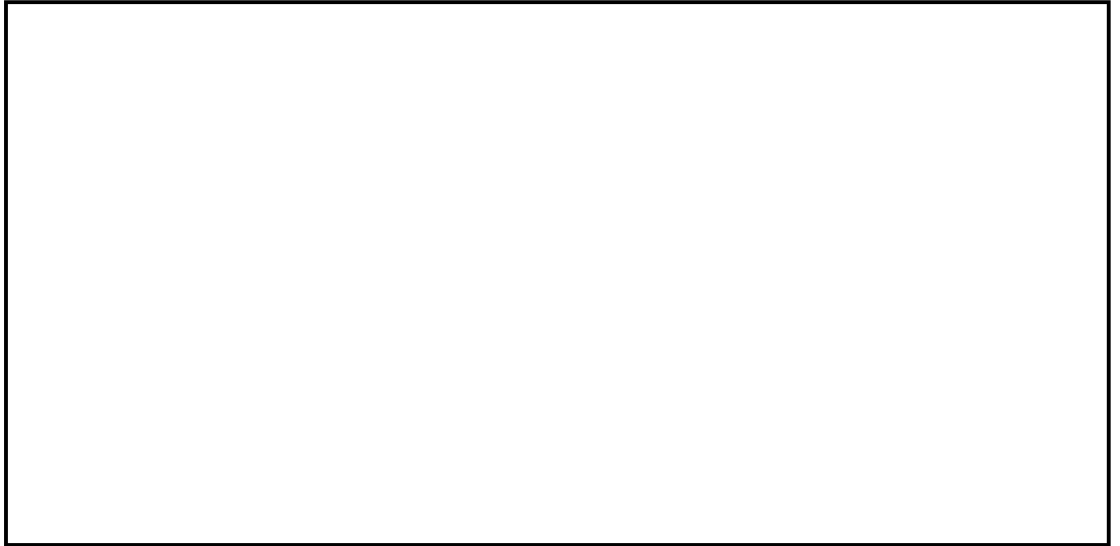


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Dissent

The second group concluded that a great deal more openness is needed in Agency decisionmaking up and down the line to allow for legitimate dissent that is perceived as constructive and does not penalize the dissenter. While such an open management style now exists in some elements of the Agency, it is not uniformly present. There is general agreement on the need for broadening the decision base, while recognizing that in some sensitive programs, wide knowledge of the details would be difficult (but these are the most subject to being misapplied as attested to in MHCHAOS and the drug experiments). The group agreed with its predecessor that there is much fear of rocking the boat and personal risk involved in raising dissent within the Agency today. Integrity on all sides was seen as essential for constructive dissent. The group viewed dissent as divided into three categories: personal, policy, and organization.

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Recommendations

1. Personal Dissent: There are adequate mechanisms available for the expression of personal dissent, such as the "Godfather" (a trusted senior friend/advisor) channel, the possibility of skipping a link in the formal chain of command, EEO, guidance counseling, and, finally, the Inspector General's office.

--Guidance counseling is the weakest link in this chain, and it should be improved by better integration of the full range of Agency assistance that can be brought to bear, including psychological, medical, training, Career Management Group, and normal office professional career guidance. The task should not be placed in the hands of the Office of Personnel because, despite helpful intentions, OP does not have the kind of knowledge about the various components that is necessary for effective guidance counseling.

2. Policy Dissent: There is a possibility of disagreement on either the wisdom or the ethics (propriety) of a policy, and the latter should not be confused with the legality of a policy. The Godfather channel can work on low-level, day-to-day minor policy matters, but it is imperfect in its degree of responsiveness and availability to all. On matters of major policy which are not time-sensitive, the A and B team approach was endorsed.

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--pre-decisionmaking periods should be delineated with the factors involved in the decision spelled out, providing a period of time for thought and review of the matter by all elements involved before a formal dissent must be taken.

--Additional formal mechanisms short of appeal to the IG should be created. (NOTE: As with the first group, the second was divided, and it was about equally divided on this point.)

3. Organizational/Management Dissent: In order to provide a forum for review of management practices in an atmosphere that would be creative rather than prejudicial, a minority suggested:

--Periodic zero-based management review of each unit's work at unit conferences which would involve all employees in a reexamination of all significant facets of organizational methods and management processes.

Ethics

According to the second group, discussion and examination of ethical considerations is growing more important as we move away from a world of black and white issues (cold war approaches) to more complex new fields of intelligence operations and analytical demands. It challenged the concept that younger officers have a corner on the market of ethical concerns, believing that they have, in fact, come more to terms with the ethics of Agency operations before being

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hired than did their seniors. Some felt that it is mainly the senior officers who are suffering anxieties over ethics today. The group did not profess necessarily to share the ethical considerations under which those more senior "cold warriors" of the 1950s made decisions at that time and the lingering mentality some still retain. Thus they were not eager to find a means to pass along those ethics to younger officers. The group was at pains to emphasize that what is legally permissible is not necessarily ethical. It is this latter distinction which needs considerable discussion and understanding beyond the recognized usefulness of legal guidelines.

The second group viewed ethical standards as so rapidly changing as to suggest the existence of "situational ethics" which make it impracticable and constraining to develop a set code. The group was most concerned about instilling into our officers a sense of integrity, and this underlaid its approach not only to the ethics of operational activity, but to the ethics of handling personnel and to supervisory relationships within the Agency. It agreed that we are operating on a sort of unwritten code that has built up over the years and that an effort at setting more clearly delineated standards is laudable. The group believes that espionage is essentially unethical by definition in a perfect world. However, we don't

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live in a perfect world; espionage activities are engaged in by our enemies, and thus also are necessary for us. Given this situation, the Agency, in order to keep vital and fulfill its role, must continue to think the unthinkable in order to be a step ahead of foreign adversaries.

The group as a whole did not believe the Agency should attempt to write a code of ethics because it would become a string of platitudes and a list of do's and don'ts that have already been spelled out in legal guidelines. It would also be very difficult to get a code that applied equally to all components of the Agency. Furthermore, it could not be made legally binding, because we do not have, nor should we have, the power to act as judge and jury for ourselves. And, finally, it would require constant revision. Still, the group did not fundamentally object to an attempt to work toward such a code, nor would it resist one, if written, so long as it was frequently updated. A better approach, in the belief of the participants, would be considerably more discussion and understanding by the Agency's personnel, particularly through branch managers, of the significance and ramifications of legal guidelines on CIA ethics and the integrity of its officers.

Recommendations

To heighten and encourage ethical consciousness in the Agency:

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- The legal guidelines under which the Agency now operates must be understood by all managers down to branch level, especially the interpretation and implementation of E.O. 11905 25X1
- An open forum should be established for Agency employees to discuss ethical issues such as:
 - a. legality vs. ethics.
 - b. are there ethical standards that are valid for all Directorates?
 - c. impact and implementation of new CIA constraints and guidelines.
 - d. individual responsibility vs. blind following of orders.
 - e. controversial Agency operations or practices which have been revealed to the public--presented in a general, philosophic framework that CIA employees can understand.
- A serious reexamination of the ethical considerations involved in the handling of people within the Agency should be undertaken.

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